

NORTH FORK RANCHERIA INDIAN HOUSING AUTHORITY

REQUEST FOR PROPOSALS

FOR

AUDITING SERVICES

SOLICITATION NO: NFRIHA AUDIT 18-01

DUE DATE: FEBRUARY 9, 2018

PUBLISHED: JANUARY 17, 2018

ADDRESS:

**57907 OLD MILL SITE COURT
NORTH FORK, CA 93643**

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A. INTRODUCTION

The North Fork Rancheria of Mono Indians (the “Tribe”) is a federally recognized Indian Tribe—the *Reporting Entity* (RE), organized, pursuant to its’ Constitution adopted on May 18, 1996, to establish and exercise inherent sovereign powers and privileges, and to preserve and maintain the unique cultural heritage of their people. The governing body of the Tribe is the Tribal Council, consisting of five (5) tribal citizens elected from the General Council (citizens 25 years and older) each of whom serve four (4) year terms. The Tribe currently consists of approximately 2,300 citizens.

By Tribal Statute No. 1997-01, adopted April 11, 1997, amended and restated on February 5, 2014, the Tribal Council established the North Fork Rancheria Indian Housing Authority (the “NFRIHA”), a public body and according to GASB No. 14, determined to be a Component Unit (CU) of the NFRIHA. The NFRIHA is required to have a separate Single Audit by the U.S. Department of Housing and Urban Development, which is the purpose of this procurement action. The NFRIHA is governed by a Board of Commissioners. The Tribal Council shall appoint eight Commissioners to the Board, in which three Commissioners shall be members of Tribal Council, as specified in Resolution 10-17. The term of office shall be four (4) years and staggered. The NFRIHA is charged with the mission of helping to fulfill the NFRIHA’s housing and related community development objectives and goals and continues to serve as an agency of the NFRIHA and an arm of the Tribal government.

B. NATURE OF SERVICES REQUIRED

The NFRIHA is soliciting proposals from qualified firms or certified public accountants to audit its financial statements for the fiscal year ending September 30, 2017, with the option to audit the NFRIHA’s financial statements for each of the two subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposal.

C. SCOPE OF SERVICES

The NFRIHA desires the auditor to express an opinion on the fair presentation of its basic financial statements and its combining and individual fund statements in conformity of generally accepted accounting principles.

In the required reports on internal controls, the auditor shall communicate any significant deficiencies found during the audit. A significant deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Significant deficiencies that are also material weaknesses shall be identified as such in a report.

Other matters, for example, control deficiencies that are not significant deficiencies or material weaknesses discovered by the auditor shall be reported in a separate letter to management, which shall be referred to in the report on internal controls.

It is expected that entrance and exit conferences shall be held with the NFRIHA and must be coordinated with the Executive Housing Director. Written notice will be given to the Executive Housing Director to assure availability of appropriate members of the Tribal leadership as well as policy and technical staff each of these meetings.

The Audit Firm shall summarize all audit findings, observations, conclusions and recommendations in a work papers file that without further oral explanation will support the financial statements reported on. The audit work papers shall be made available for review by the Federal Cognizant audit agency and the U.S. General Accounting Office during the course of the audit and for a minimum period of five (5) years after the audit has been accepted by the Federal Audit Clearinghouse.

To meet the requirements of this request for proposal, the audit shall be performed in accordance with:

1. Auditing standards generally accepted in the United States of America.
2. The standards for financial audits set forth in the *Government Auditing Standards* issued by the Comptroller General of the United States.
3. The provisions of the Single Audit Act of 1984 (as amended by the Single Audit Act Amendments of 1996).
4. The provisions of U.S. Office of Management and Budget (OMB) Guidance 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Subpart F – Audit Requirements.

D. REPORTS TO BE ISSUED

Upon completion of the audit of the fiscal year's financial statements, the auditor shall issue the following reports:

1. A report on the fair presentation of the financial the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. Reports and summaries related to federal financial assistance as required by OMB Guidance (the auditor should refer to applicable OMB guidance in effect and the applicable AICPA Audit Guide for reporting guidance).
4. A completed Form SF-SAC, "Data Collection Form for Reporting on Audits.

E. PROPOSED TIMELINE

The NFRIHA expects to score proposals and make a selection by February 16, 2018, and sign a contract for this proposal no later than February 23, 2018, which shall serve as Notice to Proceed. All services within this Project Scope should be predicated on that start date. The NFRIHA intends to complete audit field work by March 30, 2018.

F. SUMBITTAL DEADLINE

Four (4) copies of the proposal shall be submitted. All proposals must be received no later than **5:00 PM (PST) on February 9, 2018. *Electronic submissions will not be accepted.***

North Fork Rancheria Indian Housing Authority
57907 Old Mill Site Court
North Fork, CA 93643
Attn: Paul Irwin, Executive Housing Director
Solicitation No.: NFRIHA AUDIT 18-01

For overnight shipping service:

57907 Old Mill Site Court
North Fork, CA 93643

The last date for submitting e-mail questions regarding this solicitation is **January 29, 2018 at 5:00 PM (PST)**. Please submit all questions via e-mail to Paul Irwin at pirwin@nfriha-nsn.gov. All questions, answers, and additional resources will be posted to <http://northforkrancheria-nsn.gov/projects/request-for-proposal>

G. PROPOSAL CONTENTS & EVALUATION CRITERIA

The proposals will be evaluated on the basis of the following criteria and point ranges:

- 1. Responsiveness of the proposal in clearly stating an understanding of the work to be performed (0-20)**
 - a. Comprehensives of the work plan for the audit (0-10)
 - b. Reasonableness of overall time estimates as well as the time estimates for each major section of the work to be performed (0-10)
- 2. Qualifications and experience of firm (0-25)**
 - a. Size and structure of firm and ability to maintain continuity of project (0-5)
 - b. Experience of firm in auditing programs financed by Federal, State, Tribal, county and local governments. (0-10)
 - c. Experience of firm in auditing Indian NFRIHAs or Indian Housing Authorities (0-10)
- 3. Qualifications and experience of staff to be assigned Continuing education requirements, position in the firm and years and types of experience (0-20)**
 - a. Qualification of audit team (0-15)
 - b. Supervision to be exercised over the audit team by firm's management (0-5)
- 4. Cost Factor – Cost of Audit (0-25)**
- 5. Indian-owned firms (10) – The Tribe will award (10) points to qualified Native American owned firms.**

MAXIMUM TOTAL POINTS: 100

Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

In accordance with 2 CFR 200.321, small and minority businesses, women's business enterprises, and labor surplus area firms shall have the maximum practicable opportunity to participate in contracts awarded.

H. OTHER SUBMITTALS

1. Certifications

- a. Submit a certified statement for non-debarment, suspension, or prohibition from professional practice by any Federal, State, or Local Agency. The statement shall read: "This is to certify that (Firm's Name) involved with this work, is not debarred, suspended, or otherwise prohibited from contracting by any Federal, State, or Local Agency."
- b. If qualifying for preference in contracting as a Native American owned enterprise or tribal organization, please submit qualifications and documents substantiating 51% ownership.
- c. Submit a written commitment, as follows, that this work will be top priority with the firm and will be completed in an efficient and prompt manner: "This is to certify that, if selected as (Firm Name), will make the work to be performed under this Agreement top priority and will complete the work in an efficient and prompt manner."

2. **Proposed Fee Schedule/Cost Proposal:** Include a detailed itemized cost statement including all anticipated expenses, fees, and reimbursables with a not-to-exceed total cost.

I. SELECTION PROCESS

The NFRIHA, at its sole discretion, shall determine whether a particular Audit Firm has the qualifications to conduct the desired service for the NFRIHA.

1. Proposals will first be examined to eliminate those that are non-responsive to stated requirements.
2. Award will be made to the most responsible Audit Firm whose proposal is determined to be the most advantageous to the NFRIHA taking into consideration the terms and conditions set forth in this RFP.
3. Any response that takes exception to any mandatory items in this RFP may be rejected and not considered.
4. The NFRIHA reserves the right to accept or reject, in part or in whole, any or all proposals submitted.
5. The NFRIHA reserves the right to request in writing clarifications or corrections to proposals. Clarifications or corrections shall not alter the Audit Firm's price contained in the cost proposal.

6. The NFRIHA reserves the right to negotiate further with the successful Contractor. The content of the RFP and the successful Audit Firm's proposal(s) will become an integral part of the contract, but may be modified by the provisions of the contract.
7. By submission of proposals pursuant to this RFP, the Audit Firm acknowledges that they are amenable to the inclusion in a contract of any information provided either in response to this RFP or subsequently during the selection process.
8. The use of interviews by teleconference to further evaluate the proposals shall be at the discretion of the NFRIHA. If utilized, all applicants invited to participate in the oral interviews will be ranked after the interview process.

J. PROTEST PROCEDURES

1. **Protest of Award:** Any person or responder who disputes the decision to award an Agreement or who has been adversely affected by a decision of intended or actual purchase award may file a written notice of protest with the Contracting Officer for the NFRIHA.
2. **Filing the Protest:** The person or responder must file his protest in writing within ten (10) calendar days of the date of the letters of award of contract or the notification to unsuccessful responders.
3. **Content of Formal Written Notice of Protest:** The formal written notice must be printed, typewritten, or otherwise duplicated in legible form. The content of the formal written notice of protest must contain:
 - a. The name and address of the person or responder filing the protest and an explanation of how their substantial interests have been affected by the NFRIHA's notice of the intended or of actual purchase award;
 - b. A statement of how and when the person or responder filing the protest received notice of the bid solicitation or notice of intended or actual award;
 - c. A statement of all issues of disputed material facts. If there are none, the protest must so indicate;
 - d. A concise statement of the ultimate facts alleged, as well as the NFRIHA's policies which entitle the person or responder filing the protest to relief;
 - e. A demand for relief to which the person or responder deems themselves entitled; and
 - f. Any other information which the person or responder contends is material.
4. **Response to Protest:** Upon receipt of a notice of protest, timely filed, the solicitation process or award process will be stopped until the protest is resolved. The NFRIHA, if it deems necessary, may set forth in writing particular facts and circumstances which require continuance of the solicitation process on an emergency basis without the above mentioned delay in order to avoid immediate and serious danger to health, safety, or

welfare. This written determination will specifically detail the facts underlying the NFRIHA's decision and will constitute final action.

5. **Resolution:** The NFRIHA may request such other information pertaining to the matter as deemed appropriate. Within ten days of the date of receipt of the written protest, the NFRIHA will notify the person or responder making the protest of its decision.

K. CONTRACT REQUIREMENTS

The respondent selected for this effort must be fully qualified to perform the services described above. The selected Audit Firm must also comply with the NFRIHA's requirements:

1. **Contract:** The Audit Firm shall execute an Agreement with the NFRIHA substantially in the format as in Attachment B.
2. **Schedule of Project(s):** The Audit Firm shall provide the required services and shall complete the assigned project activities in the agreed to time frame.
3. **Insurance:** The Audit Firm shall maintain in full force and effect during the entire Contract term the Insurance requirements as described in the Request for Proposal.
4. **Drug-Free Work Place:** The Auditor must comply with the Federal Drug-Free Work Place Act.
5. **Indian Preference:** To the maximum extent possible, in accordance with Section 7(b) of the Indian Self-Determination Act (25 U.S.C. 450e (b)), the selected Audit Firm agrees to actively provide, to the greatest extent feasible: (1) preference and opportunities for training and employment shall be given to Indians, and (2) preference in the award of any subcontracts under this contract to Indian organizations or Indian-owned economic enterprises as defined in Section 3 of the Indian Financing Act of 1974 (25 U.S.C. 1452)
6. **Anti-Kickback Act:** The Audit Firm and all its sub-contractors shall comply with the Copeland "Anti-Kickback Act" (18 U.S.C. 276c) as supplemented in U. S. Department of Labor Regulations (29 CFR, Part 3). This Act provides that each contractor or sub-grantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public works, to give up any part of the compensation to which he is otherwise entitled. The Contractor and all its sub-contractors shall report all suspected or reported violations to the NFRIHA.
7. **Incorporated:** All requirements of the Request for Proposals and the representations made in the proposal that are not in conflict with provisions of the Contract shall be incorporated by reference and made an integral part of the Contract as though fully set forth.
8. **Retention and Inspection of Records:** Access shall be given by the Audit Firm to the NFRIHA, federal cognizant agencies, or any of their duly authorized representatives to any books, documents, papers, and records of the Audit Firm which are directly pertinent to this Agreement for the purpose of making an audit, examination, excerpts and transcriptions. All records pertinent to this Agreement shall be retained for five (5) years after the NFRIHA has made final payment and all other pending matters are closed.

**North Fork Rancheria
Indian Housing Authority**
A Component Unit of the North Fork
Rancheria of Mono Indians of California
**Financial Statements and
Supplemental Material**
Year Ended September 30, 2016

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
North Fork Rancheria Indian Housing Authority
North Fork, CA

Report on the Financial Statements

We have audited the accompanying financial statements of the North Fork Rancheria Indian Housing Authority (the Housing Authority), a component unit of the North Fork Rancheria of Mono Indians of CA, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Fork Rancheria Indian Housing Authority as of September 30, 2016, the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the North Fork Rancheria Indian Housing Authority's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 01, 2017 on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the North Fork Rancheria Indian Housing Authority's internal control over financial reporting and compliance.

Barlow, Camara & Rowland

May 01, 2017

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Management's Discussion and Analysis

Our discussion and analysis of the North Fork Rancheria Indian Housing Authority's financial performance provides for an overview of the Housing Authority's financial activities for the fiscal year ending September 30, 2016. Please read it in conjunction with the Housing Authority's financial statements.

FINANCIAL HIGHLIGHTS

The main source of revenue is federal grants received from the Department of Housing and Urban Development, authorized by the Native America Housing Assistance and Self-Determination Act (NAHASDA). In 2016, the Housing Authority expended \$1,191,959 of Federal grant funds. These funds along with program revenues of \$166,191 and other revenues of \$236,838 were used for the following:

	<u>Purpose</u>	<u>2016</u>
Modernization	Modernize low-rent units and fences	\$ 61,749
Operations	Utilities, maintenance and insurance on homes	1,142,271
Development	Finish future housing sites & acquire new units	542,421
Planning and Admin.	Miscellaneous administrative & sundry costs	51,331
		<u>\$ 1,797,772</u>

In 2015, the Housing Authority expended \$1,658,528 of Federal Funds. These funds along with program revenues of \$139,696 and other revenues of \$140,587 were used for the following:

	<u>Purpose</u>	<u>2015</u>
Modernization	Modernize low-rent units and fences	\$ 96,117
Operations	Utilities, maintenance and insurance on homes	747,929
Development	Finish future housing sites & acquire new units	709,919
Planning and Admin.	Miscellaneous administrative & sundry costs	53,414
		<u>\$ 1,607,379</u>

Statement of Net Position

The major changes were the increase in capital assets and related net position due to the acquisition of 1 rental unit and completion of 1 rental unit from the ongoing development project. The Housing Authority is planning to construct 36 units in total. As of September 30, 2016, 22 units were completed.

Statement of Revenues, Expenses and Changes in Net Position

A number of units were completed in the prior years. During the current fiscal year, 1 rental unit was completed and 1 rental unit was acquired. The decrease in grant revenue and related operating expenses appeared to be reasonable. No significant activities were incurred in other income and expense areas.

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE AUTHORITY

The following table summarizes select financial information regarding the Housing Authority's financial position as of September 30, 2016 and 2015.

	2016	2015	Variance
Assets			
Cash and investments	\$ 60,526	\$ 60,519	\$ 7
Other assets	49,561	54,611	-5,050
Lease to own homeownership units	0	0	0
Capital assets	7,126,435	6,508,609	617,826
Accumulated depreciation	-1,026,834	-801,694	-225,140
Total Assets	<u>6,209,688</u>	<u>5,822,045</u>	<u>387,643</u>
Liabilities and Net Position			
Current liabilities	78,957	104,781	-25,824
Noncurrent liabilities	0	1,045	-1,045
Total Liabilities	<u>78,957</u>	<u>105,826</u>	<u>-26,869</u>
Net Position			
Net investment in capital assets	6,098,348	5,703,363	394,985
Restricted-lease to own homeownership units	0	0	0
Unrestricted	32,383	12,856	19,527
Total Net Position	<u>\$ 6,130,731</u>	<u>\$ 5,716,219</u>	<u>\$ 414,512</u>
Operating Revenues			
Grant revenue	\$ 1,191,959	\$ 1,658,528	\$ -466,569
Other	403,029	280,283	122,746
Total Operating Revenues	<u>1,594,988</u>	<u>1,938,811</u>	<u>-343,823</u>
Operating Expenses			
Administrative	51,331	53,414	-2,083
Other	1,128,615	861,867	266,748
Total Operating Expenses	<u>1,179,946</u>	<u>915,281</u>	<u>264,665</u>
Other			
Interest/other income (expenses)	-530	-1,017	487
Gain/(loss) on disposal of assets	0	1,201	-1,201
Cost of units sold, net	0	0	0
Donations from tribe	0	300,382	-300,382
Total Other	<u>-530</u>	<u>300,566</u>	<u>-301,096</u>
Change in Net Position	<u>\$ 414,512</u>	<u>\$ 1,324,096</u>	<u>\$ -909,584</u>

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Management's Discussion and Analysis

USING THIS ANNUAL REPORT

This annual report consists of the Statement of Net Position, the Statement of Revenue, Expenses and Changes in Net Position, and the Statement of Cash Flows. The Housing Authority utilizes the enterprise fund accounting system in accordance with guidance issued by the Department of Housing and Urban Development and in accordance with Government Accounting Standards Board Statement 34.

BUSINESS-TYPE ACTIVITIES

The Housing Authority is responsible for maintaining 28 low-income rental units; 22 units of these houses were built and 6 units of these houses were purchased under NAHASDA. The rents are determined by the resident's income as adjusted for eligible deductions allowed by HUD. In addition to the rental program, the Housing Authority provided 13 soft-second loans to qualifying tribal members. The program is a tribal initiative designed to increase affordable housing opportunities for members of the North Fork Rancheria of Mono Indians of California. The program helps tribal members avoid foreclosure or purchase a new home on or off Indian trust lands.

BUDGETARY HIGHLIGHTS

In accordance with the formula developed to allocate NAHASDA funds among the various tribes, the Housing Authority was granted and expended from grant 55IH0624740 the amount of \$1,191,959 for fiscal grant year 2016. This amount is subject to change in future years based on changes in the formula and federal funding of NAHASDA. The following is a summary of grant activity for fiscal year 2016:

Grant	Grant Funding Year	Funds Available 10/1/2015	Funds Used	Funds Available 9/30/2016
Indian Housing Block Grant	2016 & prior	\$ 4,097,099	\$ 1,191,959	\$ 2,905,140
		<u>\$ 4,097,099</u>	<u>\$ 1,191,959</u>	<u>\$ 2,905,140</u>

These funds along with the 2017 grant award are available in future years for housing related activities as outlined on the Housing Authority's Indian Plan (IHP) submitted annually to the Department of Housing and Urban Development.

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Management's Discussion and Analysis

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Housing Authority's capitalization policy requires capitalization of capital expenditures in excess of \$5,000. Expenditures of \$5,000 or less are included in current year expenses at the time of purchase. Low-income rental units are depreciated over 40 years. Equipment is depreciated over a period of 5 to 7 years. Furniture and fixtures are depreciated over a period of 5 to 7 years. Site improvements are depreciated over 10 years. Buildings, improvements, vehicles, and equipment & machinery; net of accumulated depreciation as of September 30, 2016 were \$4,670,085, \$363,696 and \$114,786 respectively.

Debt

The Housing Authority entered into a capital lease agreement for a new copier in 2013. The Housing Authority owes \$1,253 under this lease at year end.

NEXT YEAR'S ACTIVITIES

The Housing Authority will use a substantial portion of their resources to maintain and operate the housing units constructed under the NAHASDA. In addition, specific projects for next year include the following:

(1) construction of low-income rental units on NFRIHA property; (2) continue to rehabilitate homes to mitigate health and safety threats; (3) provide emergency rental assistance to displaced, homeless or overcrowded renters; (4) maintenance on IHBG & ICDBG rental units; (5) provide down-payment assistance to homebuyers who qualify for the program; (6) acquisition of rental housing; (7) provide crime prevention and safety for tenants of NFRIHA's affordable housing units; (8) provide tribal members with housing services; (9) provide housing management services for all NFRIHA housing programs; (10) provide foreclosure & debt relief program assistance for homeowners of tribal citizens of North Fork Rancheria of Mono Indians of California to remain in their homes when foreclosure actions are imminent; (11) construct housing services building to improve administration and delivery of all housing programs; (12) provide temporary/emergency portable water supply program only for immediate consumption; and (13) provide student housing assistance.

CONTACTING THE HOUSING AUTHORITY FINANCIAL MANAGEMENT

This financial report is designated to provide the tribe, participants and the federal government with a general overview of the Housing Authority's finances and to show its accountability for the monies it receives. If you have any questions about this report or need additional information, contact the Housing Authority at PO Box 728, North Fork, CA 93643.

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California

Statement of Net Position

<i>September 30,</i>	2016
Assets	
Current assets	
Cash and cash equivalents	\$ 60,526
Accounts receivable:	
Tenants, net of allowance for doubtful accounts of \$0	2,163
Grants receivable	12,408
Other receivable	0
Prepaid expenses	34,990
Total current assets	110,087
Noncurrent assets	
Property and equipment, net	6,099,601
Deposits	0
Soft second loan, net of allowance for forgiveness of loans \$882,167	0
Total noncurrent assets	6,099,601
Total assets	6,209,688
Liabilities and Net Position	
Current liabilities	
Accounts payable and accrued expenses	85,461
Contracts payable	1,253
Due to (from) tribe	(7,757)
Refundable advances	0
Total current liabilities	78,957
Noncurrent liabilities	
Contracts payable	0
Tenant reserves	0
Total noncurrent liabilities	0
Total liabilities	78,957
Net position	
Net investment in capital assets	6,098,348
Restricted for lease to own homeownership units	0
Unrestricted	32,383
Total net position	\$ 6,130,731

See accompanying summary of accounting policies and notes to financial statements.

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California

Statement of Revenue, Expenses & Changes in Net Position

Year ended September 30,

2016

Operating revenues

Federal grants	\$ 1,191,959
Dwelling rental	166,191
Other income	236,838

Total operating revenues	1,594,988
---------------------------------	------------------

Operating expenses

Salaries & benefits	746,088
Other general & administrative	51,331
Utilities	51,404
Maintenance	55,900
Insurance	30,986
Modernization/rehabilitation	61,749
Resident services	32,752
Crime prevention & safety	0
Bad debts	0
Development	(75,405)
Depreciation	225,141

Total operating expenses	1,179,946
---------------------------------	------------------

Operating income (loss)	415,042
--------------------------------	----------------

Non-operating revenue (expenses)

Gain (loss) on sale of assets	0
Interest income (expense)	(530)
Donations from tribe	0

Total non-operating revenue (expenses)	(530)
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Change in Net Position	414,512
-------------------------------	----------------

Net Position, beginning of year	5,716,219
---------------------------------	-----------

Prior year adjustments	0
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Net Position, end of year	\$ 6,130,731
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See accompanying summary of accounting policies and notes to financial statements.

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Statement of Cash Flows

<i>Year ended September 30,</i>	2016
Cash flows from operating activities	
Cash received from tenants and homebuyers	\$ 168,518
Cash received from grants	1,203,470
Cash paid to employees	(617,032)
Cash paid to suppliers and vendors	(134,301)
Net cash provided by (used in) operating activities	620,655
Cash flows from investing activities	
Interest received	0
Net cash provided by (used in) investing activities	0
Cash flows from capital & related financing activities	
Development costs not capitalized	0
Payments of interest	(523)
Additions of property & equipment	(617,826)
Insurance proceeds from disposal of equipment	0
Payments of capital lease	(2,299)
Refund of tenant's reserve funds	0
Net cash provided by (used in) financing activities	(620,648)
Increase (decrease) in cash and cash equivalents	7
Cash and cash equivalents, beginning of year	60,519
Cash and cash equivalents, end of year	\$ 60,526
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 415,042
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation and amortization	225,141
Donations from NFR	0
(Increase) decrease in assets	
Tenant/homebuyer receivables	(873)
Grants receivable	11,511
Other assets	(5,588)
Increase (decrease) in liabilities	
Accounts payable and accrued expenses	(27,778)
Security deposits	3,200
Refundable advances	0
Net cash provided by (used in) operating activities	\$ 620,655

See accompanying summary of accounting policies and notes to financial statements.

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Summary of Significant Accounting Policies

Year Ending September 30, 2016

Description of the Reporting Entity	<p>The Housing Authority is a component unit of the North Fork Rancheria of Mono Indians of California (the tribe). The Housing Authority was established by the tribe to engage in or assist in the development and operation of low income housing for qualified individuals. The Housing Authority is subsidized by the U.S. Department of Housing and Urban Development (HUD) and follows accounting principles generally accepted in the United States of America. On October 1, 1997, the effective date of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), the Housing Authority became eligible to draw funds allocated to the tribe. The Housing Authority was named the Tribally Designated Housing Entity (TDHE) for the tribe.</p>
Programs Administered by the Reporting Entity	<p>The Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) became effective on October 1, 1997. The purpose of this law is to: (1) streamline the process of providing housing assistance to Native Americans, (2) facilitate, where possible, the development of private housing finance mechanisms, and (3) promote economic self-sufficiency and self-determination among Native Americans. Accordingly, it eliminates many of the compliance requirements under the U.S. Housing Act of 1937, as amended, as well as the associated regulations, handbooks, and guidebooks that provided guidance in the past. While permitting the tribal entity greater latitude in establishing policies and procedures, it also created additional reporting and administrative requirements.</p> <p>Under NAHASDA, block grants are awarded directly to tribal entities, and the amount of the block grant is determined by a formula based on the number of existing housing units managed by the TDHE and the unmet housing needs within the jurisdiction of the TDHE. Block grants are awarded only after an Indian Housing Plan (IHP) has been submitted to HUD. The purpose of the IHP is to demonstrate that the TDHE has made or will make adequate provision to comply with the objectives and stewardship requirements of NAHASDA. The IHP is composed of an annual one-year housing plan. The Housing Authority may supplement NAHASDA with other federal, state or local funds from time to time.</p>
Measurement Focus, Basis of Accounting, & Financial Statement Presentation	<p>The financial statements of the Authority are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Authority applies all relevant GASB pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.</p>

ATTACHMENT A

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California
Summary of Significant Accounting Policies

Year Ending September 30, 2016

The Authority does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The Authority uses the enterprise model for financial reporting purposes. Under this model the focus is on measuring economic resources utilizing the full accrual basis of accounting, wherein revenues are recognized when earned and expenses when incurred.

The financial statements report information on all of the activities of the reporting entity. The Authority has elected to present all activity as one business-type activity.

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the affordable housing activities of the Authority. Principal operating revenues of the Authority are NAHASDA grant revenues, other federal grants, rental income and other income from operations. Operating expenses of the Authority included standard categories of operating expenses, including salaries and benefits, professional services, insurance, repair and maintenance, program assistance and depreciation. Non-operating items include interest revenue and gain/loss on sales of fixed assets.

GASB issued various statements: No. 34, *Basic Financial Statements and Management's Discussion and Analysis*; No. 37, *Basic Financial Statements and Management's Discussion and Analysis: Omnibus and Amendment of GASB Statement 34* and No. 38, *Certain Financial Statement Note Disclosures*. These statements established new financial reporting requirements for state and local governments. The Authority adopted these statements in a prior year. Adoption of these statements required the Authority to make several changes to the presentation of its basic financial statements and footnotes and requires presentation of a new section called Management's Discussion and Analysis (MD&A).

**Cash and Cash
Equivalents**

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Summary of Significant Accounting Policies

Year Ending September 30, 2016

Investments

Investments are reported at fair value on the statement of net position, with changes in fair value recognized in the statement of revenues, expenses, and changes in net position. Fair value is determined by quoted market price, if available, otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale.

**Accounts
Receivable**

Tenant accounts receivable of \$2,163 is presented net of the allowance for doubtful accounts of \$0. All other receivables are considered fully collectible.

**Property and
Equipment**

Property and equipment are stated at historical cost. Major outlays for capital assets and improvements are capitalized in Construction in Progress as project costs are incurred. Maintenance and repairs are charged to operations as incurred. Replacements that improve or extend the lives of property are capitalized. Donated assets are valued at their fair market value on the date donated. Assets are capitalized in accordance with the provisions of the Authority's Capitalization Policy. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. The estimated useful lives are as follows:

Dwelling structures	40	years
Vehicles	5-7	years
Equipment	5-7	years
Improvements	10	years

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California
Summary of Significant Accounting Policies

Year Ending September 30, 2016

Prepaid Items and Deposits	Prepaid balances are for payments made by the Authority in the current year to provide services occurring in the subsequent fiscal year. Deposits are made up of one year's worth of insurance on the housing units and held by Amerind Risk Management Corporation in the Authority's name as its member reserve account.
Refundable Advances	Refundable advances are grant funds that have been drawn down and have not yet been expended for grant eligible activities. At the time those funds are expended grant revenue will be recognized.
Compensated Absences	The Authority's policy allows employees to accumulate unused vacation leave depending on the number of years of services up to the maximum of 240 hours. Upon termination, unused accumulated vacation leave will be paid to the employee. Sick leave will be paid only upon illness while in the employ of the Authority.
Use of Estimates	The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
Bonds and Notes Payable	Bonds and notes payable are stated at their unpaid balance less any remaining premiums or discounts, plus any accrued interest.

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Summary of Significant Accounting Policies

Year Ending September 30, 2016

Deferred Outflows and Inflows of Resources

GASB pronouncement No. 63 defines deferred outflows of resources as a consumption of net assets by the government that is applicable to a future reporting period. GASB pronouncement No. 63 defines deferred inflows of resources as an acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets, and deferred inflows of resources have a negative effect on net position, similar to liabilities.

The Housing Authority does not have an item that qualifies for reporting as a deferred outflow of resources. The Housing authority also does not have an item that qualifies as a deferred inflow of resources.

Net Position

GASB pronouncement No. 63 identifies net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net position is displayed in the following components:

Net investment in capital assets – consists of capital assets, including restricted capital assets, reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets.

Restricted net position – consists of external constraints placed on the net position used by creditor, grantor, contributors, laws or regulations of other governments or constraints imposed by the government's own constitutional propositions or enabling legislation.

Unrestricted net position – consists of all other items that are not included in the above categories.

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Notes to the Financial Statements

Year Ending September 30, 2016

1. **Income Tax Status** The Housing Authority, as a tribally organized entity, is not subject to federal or state income taxes. Therefore no provision for income taxes is reflected in the accompanying financial statements.

2. **Cash** Under the terms of various contracts entered into with HUD, the Housing Authority may only deposit funds with financial institutions whose deposits or accounts are insured by either the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or, the National Credit Union Share Insurance Fund. Furthermore, all deposits are to be collateralized under the terms of a Depository Agreement executed between the Housing Authority and the financial institution. At year-end, the carrying amount of the Housing Authority's deposits with financial institutions was \$60,526 and the bank balance was \$75,964. The bank balance was covered by FDIC insurance or collateralized with securities held by the bank in the Housing Authority's name.

3. **Grants Receivable & Refundable Advances** Grants receivable and refundable advances consist of the following:

		Grant Receivable	Refundable Advances
55	Indian Housing Block Grant	\$ 12,408	\$ 0
		\$ 12,408	\$ 0

4. **Contingent Liabilities** Under the terms of federal grants, funding agencies may perform periodic audits, and certain costs may be questioned as not being appropriate expenditures under the terms of grants. Such audits could require reimbursement to the grantor agencies. Also, in the normal course of its activities, the Housing Authority is involved in various claims and pending litigation. No provision for loss has been recorded.

5. **Employee Retirement Plan** The Housing Authority maintains a Simple IRA plan. Regular employees will become eligible to voluntarily participate in the plan on the 1st of the month following the completion of 90 days of employment. During the year ending September 30, 2016, \$13,753 was contributed to the plan by Housing Authority and the employees made elective deferral contributions of \$21,116.

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Notes to the Financial Statements

Year Ending September 30, 2016

6. **Related Party Transactions** The Housing Authority manages various projects for the tribe as a contractor pursuant to a memorandum of agreement with the tribe. During the fiscal year, the Housing authority expended \$235,584 for the tribe. At year end the tribe owed the Housing Authority \$7,757.

7. **Supplemental Disclosure of Cash Flows Information**

Cash paid during the year for interest	\$	523
Cash paid during the year for income taxes	\$	0

8. **Risk Management**

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Housing Authority maintains insurance against most normal hazards. The Housing Authority is a member and participant of the Amerind Risk Management Corporation, an Indian housing risk pool, to provide building, structures, and business property coverage for 100% of replacement cost, with a deductible of \$2,500 per occurrence. Other coverage through Amerind includes general liability coverage of \$1 million per occurrence, and \$2 million aggregate, fidelity and tribal housing official's coverage. The Housing Authority maintains a number of other insurance policies, including automobile coverage, workers compensation insurance, professional liability, and other insurance. There have been no significant changes in insurance coverage in the last year.

9. **Capital Lease Payable**

The Housing Authority entered into equipment lease purchase agreement with a local vendor located in Fresno, CA on October 21, 2013.

Capital lease payable at September 30, 2016 is as follows:

Lease payable balance 09/30/15	\$	3,552
Addition		0
Reductions		(2,299)
Lease payable balance 09/30/16		1,253
Due within 1 year	\$	1,253

North Fork Rancheria Indian Housing Authority

A Component Unit of the North Fork Rancheria of Mono Indians of California

Notes to the Financial Statements

Year Ending September 30, 2016

10. **Property and Equipment** Activity in the capital assets of the Authority is summarized below:

	Beginning of Year	Change	End of Year
Capital assets at cost			
Land	\$ 825,254	\$ 94,841	\$ 920,095
Construction in progress	29,158		30,939
Increases in the current year		31,876	
Decreases in the current year		-30,095	
Total-not being depreciated	854,412	96,622	951,034
 Buildings & improvements	 5,420,065		 5,914,781
Increases in the current year		494,716	
Decreases in the current year			
Vehicles & equipment	234,132		260,620
Increases in the current year		26,488	
Decreases in the current year			
Total being depreciated	5,654,197	521,204	6,175,401
Total capital assets at cost	6,508,609	617,826	7,126,435
 Accumulated depreciation			
Buildings & improvements	694,435		881,000
Increases in the current year		186,565	
Decreases in the current year			
Vehicles & equipment	107,259		145,834
Increases in the current year		38,575	
Decreases in the current year			
Total accumulated depreciation	801,694	225,140	1,026,834
Capital assets, net	\$ 5,706,915		\$ 6,099,601

Depreciation expense for the year ended September 30, 2016 was \$225,141.

11. **Construction in Progress** In FY 2016, the Housing Authority completed one (1) single family homes and had one (1) additional unit under construction.

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California
Notes to the Financial Statements

Year Ending September 30, 2016

-
- 12. Soft Second Loan Program** The soft second loan program is a tribal initiative designed to increase affordable housing opportunities for members of the North Fork Rancheria of Mono Indians of California with funds received through the U.S. Department of Housing and Urban Development. The program helps tribal citizens avoid foreclosure or purchase a new home on or off Indian trust lands, for qualifying tribal members.
- The soft second loan does not require monthly payments during the life of the loan, nor do the loans accrue interest. If the homeowner sells or rents a home purchased in the first ten years of ownership, the full amount of the loan will be due at the time of the home is sold or rented. If the house is sold or rented after ten years from the date of purchase, the homeowner is required to pay back a portion of the original loan amortized at a rate of ten percent per year. After the passage of twenty years, the loan converts to a grant that does not have to be repaid, assuming the homeowner has not sold or rented the house and is not in default under any other home mortgage loan used to purchase the property.
- There were 13 outstanding loans in the amount of \$882,167 with the allowance for forgiveness of loans of \$882,167, presenting net value of \$0 at year end.
- 13. Tenant Reserves** The Housing Authority maintains twenty six rental units built with NAHASDA funds. Of the twenty six tenants, one tenant has paid into an equity account. The original intention for this account was to help the tenant become the owner of the unit. During the current fiscal year, it was being reviewed as to whether the Housing Authority should provide the homeownership option or continue to focus on providing the rental program only. At year end, the balance was fully refunded to the tenant, and the Housing Authority continued to focus on providing the rental programs only. As a result, the tenant reserve balance was \$0.
- 14. Subsequent Events** In preparing these financial statements, the Housing Authority evaluated the period from October 1, 2016 through the date the financial statements were available to be issued for material subsequent events requiring recognition or disclosure in the accompanying financial statements.

Supplemental Material



North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California

Schedule of Expenditure of Federal Awards

Year ended September 30,								2016
Federal Grantor Program Title	Federal CFDA Number	Grant Number	Grant Award Amount	Cumulative Expenditures 10/01/15	Current Year Expenditures	Cumulative Expenditures 09/30/16	Grant Balance 09/30/16	
U.S. Department of Housing & Urban Development								
# Indian Housing Block Grant	14.867	55IH0624740	\$ 8,709,853	\$ 4,612,754	\$ 1,191,959	\$ 5,804,713	\$ 2,905,140	
Total U.S. Dept. of HUD			8,709,853	4,612,754	1,191,959	5,804,713	2,905,140	
Total federal assistance			\$ 8,709,853	\$ 4,612,754	\$ 1,191,959	\$ 5,804,713	\$ 2,905,140	

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California
Notes to the Schedule of Expenditures of Federal Awards

Year Ending September 30, 2016

**1. Basis of
Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal awards programs of the North Fork Rancheria Indian Housing Authority. Federal awards received directly from federal agencies.

The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The amounts presented in the schedule agree to the amounts presented in or used in the preparation of the basic financial statements.

For the information in the schedule, "#" denotes a major program for compliance audit purposes.

**2. Summary of
Significant
Accounting
Policies**

The schedule is presented using the accrual basis of accounting, which is described in Summary of Significant Accounting Policies to the North Fork Rancheria Indian Housing Authority's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to the reimbursement.

The North Fork Rancheria Indian Housing Authority elected not to use the 10% de minimis cost rate as covered in Uniform Guidance section 200.414 Indirect (F&A) Costs



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING & ON COMPLIANCE & OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
North Fork Rancheria Indian Housing Authority
North Fork, CA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the North Fork Rancheria Indian Housing Authority, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the North Fork Rancheria Indian Housing Authority's basic financial statements and have issued our report thereon dated May 01, 2017.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the North Fork Rancheria Indian Housing Authority's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly we do not express an opinion on the effectiveness of the North Fork Rancheria Indian Housing Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Fork Rancheria Indian Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barlow, Camara & Rowland

May 01, 2017



Barlow, Camara & Rowland

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
North Fork Rancheria Indian Housing Authority
North Fork, CA

Report on Compliance for Each Major Program

We have audited the North Fork Rancheria Indian Housing Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of North Fork Rancheria Indian Housing Authority's major federal programs for the year ended September 30, 2016. The North Fork Rancheria Indian Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the North Fork Rancheria Indian Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the North Fork Rancheria Indian Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the North Fork Rancheria Indian Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the North Fork Rancheria Indian Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control Over Compliance

Management of the North Fork Rancheria Indian Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the North Fork Rancheria Indian Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the North Fork Rancheria Indian Housing Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Barlow, Camara & Rowland

May 01, 2017

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California
Summary Schedule of Prior Audit Findings
Year Ended September 30, 2016

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

None

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California
Schedule of Findings & Questioned Costs
Year Ended September 30, 2016

SECTION I—SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Any material weakness(s) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Any significant deficiency (s) identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported
Any noncompliance material to financial statements noted?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal Control over major programs:

Any material weakness(s) identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Any significant deficiency (s) identified not considered to be material weaknesses?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> none reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section .200.516(a)?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
---	------------------------------	--

Identification of major programs:

CFDA Number(s)
14.867

Name of Federal Program or Cluster
Indian Housing Block Grant Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARDS FINDINGS

None

North Fork Rancheria Indian Housing Authority
A Component Unit of the North Fork Rancheria of Mono Indians of California
Corrective Action Plan
Year Ended September 30, 2016

No open findings

Person to Contact:
Paul D. Irwin, Executive Housing Director
North Fork Rancheria Indian Housing Authority
P.O. Box 728, North Fork, CA 93643
559.877.7360

SAMPLE AGREEMENT FORM

**AGREEMENT TO _____
FOR THE
NORTH FORK RANCHERIA INDIAN HOUSING AUTHORITY**

CONTRACT NUMBER: _____

Agreement made and entered into this ____ day of _____, 2018, by and between the North Fork Rancheria Indian Housing Authority (the "NFRIHA") and _____ (the "Contractor").

WITNESSETH

WHEREAS, the NFRIHA wishes to retain the Contractor and the Contractor wishes to provide _____; and

WHEREAS, the Contractor has proposed to provide said services in accordance with the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual promises set forth below, the NFRIHA and the Contractor agree as follows:

1. Project Description:

The Project consists of _____.

2. Scope of Services:

The Contractor shall provide those services described in its proposal which is incorporated herein by reference as though set forth in full. However, with respect to conflict or ambiguity between this Agreement and the proposal, this Agreement shall control.

The NFRIHA shall provide a knowledgeable person to coordinate the NFRIHA's activities and staff with the Contractor.

3. Incorporated:

All requirements of the Request for Proposals and the representations made in the Contractor's proposal that are not in conflict with provisions of this Agreement are hereby incorporated by reference and made an integral part of the Agreement as though fully set forth herein.

4. Schedule of Performance:

The services of the Contractor shall commence within upon full execution of this contract agreement. This Agreement shall terminate on _____, 2018 unless otherwise modified in writing prior to such termination.

5. Compensation:

Compensation shall be paid to the Contractor upon receipt and approval by the NFRIHA of an invoice setting forth work actually completed. Total payment under this contract shall not exceed _____ dollars and _____ cents (\$ _____.__).

6. **Invoices and Payments:**

The Contractor will submit an invoice itemizing the services performed and expenses incurred in a form acceptable to the NFRIHA. Payment to the Contractor will normally be made within 30 days upon receipt of invoice and verification by the NFRIHA of services rendered and expenses incurred. The NFRIHA may withhold payment to the Contractor pending resolution of, in an amount equal to questioned, disputed or disapproved amounts, for work not completed or delivered as required by the terms of this Agreement.

7. **Invoices Shall be Transmitted to:**

North Fork Rancheria Indian Housing Authority
57907 Old Mill Site Court
North Fork, CA 93643
Attention: Executive Housing Director

Payment of approved amounts shall be transmitted to:

Notices that may be issued by the parties shall be transmitted to the above address.

8. **Independent Contractor:**

In the performance of the services hereunder, the Contractor shall be an independent contractor and not an employee of the NFRIHA or related entities. The employees furnished by the Contractor to perform the work shall be deemed to be the Contractor's employees exclusively and said employees shall be paid by the Contractor for all services. The Contractor shall be responsible for all obligations and reports covering Social Security, Unemployment Tax and other reports required by any applicable State or Federal law. Contractor shall not have authority to act on behalf of the NFRIHA in any capacity whatsoever nor to bind the NFRIHA to any obligation whatsoever.

9. **Indemnification:**

To the fullest extent permitted by law, the Contractor shall assume the defense of, indemnify and save harmless the NFRIHA and its officers and employees (collectively "Indemnitees") from any claim, loss, damage, injury (including, without limitation, injury to or death of an employee of the Contractor or its sub Contractors) and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorney's fees and costs of investigation) that arise directly, in whole or in part, from (1) the services under this Agreement, or any part thereof and/or (2) any act or omission of the Contractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"), even if such Liabilities are caused in part by the negligence of any Indemnatee, subject to the provisions set forth in this Section. To the extent, however, that the foregoing provision imposes an obligation of the Contractor that does not involve any negligence or other breach of obligation on the part of the Contractor or its sub Contractors, then, provided the Contractor is in compliance with its insurance obligations under Section 11. below, such obligation shall be limited to the extent to which it is covered by the Contractor's insurance and that of its sub Contractors, in no event, however, shall the Contractor's liability or indemnification responsibilities be so limited in the event of negligence or other breach of obligation on the part of the Contractor or its sub Contractors.

The Contractor assumes no liability whatsoever for the sole negligence or willful misconduct of any Indemnatee or the contractors of any Indemnatee.

The NFRIHA shall include a provision in the construction contract with the general contractor on the project requiring the general contractor to indemnify the Contractor for the negligence of the general contractor and its subcontractors. The risk of an inadvertent omission of such provision is on the Contractor. Therefore, the Contractor shall review the construction contract prior to bidding to ensure that a provision has been included in the draft of the bid documents.

The Contractor's indemnification obligations for claims involving "Professional Liability" (claims involving acts, errors, or omissions in the rendering of professional services) and "Economic Loss Only" (claims involving economic loss which are not connected with bodily injury or physical damage to property) shall be limited to the extent of the Contractor's negligence or other breach of duty.

10. Termination:

The NFRIHA may, at any time prior to completion of the work, terminate this Agreement for any reason, including, but not limited to, default by the Contractor or circumstances beyond the control of Contractor. In the event the NFRIHA terminates this Agreement for convenience, the Contractor, within ten (10) days of receiving such notice, shall submit an invoice to the NFRIHA in an amount which represents the compensation for services actually performed to the date of termination and for which the Contractor has not been previously compensated. Upon payment of the sum found due, the NFRIHA shall be under no further obligation to the Contractor financial or otherwise.

11. Insurance:

The Contractor shall maintain in full force and effect during the entire contract term Commercial and/or Comprehensive General Liability (including owned and not-owned automobile insurance) Insurance in the minimum limits set forth below and in a solvent company or companies that maintain a rating of "B+" or better and admitted to sell insurance in California through the Department of Insurance. This insurance must be under the usual terms employed by casualty companies in California, naming the NFRIHA and its respective members, officers, agents and employees as additional insured. Such insurance shall protect such additional insured and indemnify them against direct or contingent loss or liability for bodily injury, death and/or property damage arising in any manner from the Contractor's performance of this Agreement with the NFRIHA, or the nature of the services provided, or any operations under or connected with this Agreement with the NFRIHA.

A. The Contractor will maintain in force, during the full term of the Agreement, insurance as follows:

- (1) Worker's Compensation Employers' Liability with limits as required by State of California (currently **\$1,000,000** for each accident).
- (2) Comprehensive General Liability Insurance with limits not less than **\$1,000,000** per person per occurrence Combined Single Limit Bodily Injury and Property Damage, including Contractual Liability, and Completed Operations coverage. If the Contractor has a "claims-made" policy, then the following additional requirements apply: the policy must provide a "retroactive date" which must be on or before the execution date of the Contract; and the extended reporting period may not be less than five years following the completion of the Contract.
- (3) Comprehensive Automobile Liability Insurance with limits not less than **\$1,000,000** each occurrence Combined Single Limit Bodily Injury and Property Damage.

The Contractor and the NFRIHA acknowledge that the insurance coverage limits provided above may not be sufficient to cover possible (unforeseen and

unanticipated) claims. Therefore, subject to further negotiations after the execution of this Agreement, this Section 11.0 may be amended in writing to provide for an increase in coverage and for a correlative increase in the Contractor' fee.

B. Comprehensive General Liability and Comprehensive Automotive Liability Insurance policies shall be endorsed to provide the following:

- (1) Name as ADDITIONAL INSURED the North Fork Rancheria Indian Housing Authority, its Officers, and Members of the Tribal Council, Agents and Employees.
- (2) That such policies are primary insurance to any other insurance available to the Additional Insured, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not increase the insurer's limits of liability.
- (3) All policies shall be endorsed to provide thirty (30) days advance written notice to the NFRIHA of cancellation, non-renewal or reduction in coverage, mailed to the following address:

North Fork Rancheria Indian Housing Authority
57907 Old Mill Site Court
North Fork, CA 93643
Attention: Executive Housing Director

- (4) Certificates of Insurance, in form and with insurers satisfactory to the NFRIHA, evidencing all coverage above, shall be furnished to the NFRIHA prior to award and before commencing any operations under this Agreement, with complete copies of policies to be furnished promptly upon the written request of the NFRIHA, at the following address:

North Fork Rancheria Indian Housing Authority
57907 Old Mill Site Court
North Fork, CA 93643
Attention: Executive Housing Director

- (5) Any coverage which the Contractor proposes to self-insure, or any intention to operate vehicles other than automobiles (i.e., boats, aircraft, etc.) shall require prior NFRIHA approval of the appropriate insurance to be agreed upon.

Approval of the insurance by the NFRIHA shall not relieve or decrease the liability of the Contractor hereunder. This Agreement shall terminate immediately, without notice to the Contractor, upon any lapse of required insurance coverage. The Contractor shall be advised that should the Contractor through its negligence fail to meet the professional standards of care and performance of its services that result in additional costs to the NFRIHA, it will be the intention of the NFRIHA to recoup these costs from the Contractor.

12. Assignment:

The Contractor shall not make an assignment of this Agreement's proceeds or claims arising under this Agreement without obtaining prior written permission from the NFRIHA. In no event shall the Contractor assign the duties to be performed under this Agreement.

13. Indian Preference in Hiring:

The work to be performed under this proposal is subject to Section 7(b) of the Indian Self-Determination Act (25 U.S.C. 450e(b)). Section 7(b) requires that to the greatest extent feasible: (1) preference and opportunities for training and employment shall be given to Indians, and (2) preference in the award of contracts and subcontracts shall be given to Indian organizations or Indian-owned economic enterprises as defined in Section 3 of the Indian Financing Act of 1974 (25 U.S.C. 1452). To the maximum extent possible, agrees to actively recruit, hire and train Indians for position vacancies or other employment opportunities within its organization.

14. Employment Practices:

In the performance of this agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor shall, in all respects in the performance of this agreement, comply with Executive Order 11246, as amended by Executive Order 11375, and as supplemented by Department of Labor Regulations (41 CFR Part 60). The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to race, religion, sex, color or national origin. Such action shall include, but not be limited to, employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination rates or pay or other forms of compensation and selection for training including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the State Labor Department setting forth the provisions of this non-discrimination clause. The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, sex, color or national origin.

15. Anti-Kickback:

The Contractor shall comply with the Copeland "Anti-Kick-back Act" (18 USC 874) as supplemented in Department of Labor Regulations (29 CFR. Part 3). This act provides that each contractor or subgrantee shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The Contractor shall report all suspected or reported violations to the NFRIHA.

16. Drug-Free Workplace:

The Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of the controlled substance is prohibited on Authority premises. The Contractor agrees that any violation of this prohibition by the Contractor, its employees, agents or assigns shall be deemed a material breach of contract.

17. Work Hours and Safety Standards Act:

This Agreement is subject to and incorporates, by reference herein, the provisions of the Contract Work Hours and Safety Standards Act, Sections 103 and 107, (40U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR, part 5). The Contractor hereby declares that it is in compliance with said provisions.

18. **Administrative Remedy for Contract Interpretation:**
Should any question arise as to the meaning and intent of this Agreement, the matter shall, prior to any other action or legal remedy, be referred to the Contracting Officer who shall decide the true meaning and intent of the Agreement.
19. **Applicable Law and Venue:**
This Agreement shall be constructed and interpreted solely in accordance with the laws of the State of California. The venue for any dispute resolution, including legal action or any other method, shall be the County of Madera.
20. **Ordinances:**
The Contractor shall complete work on this Project to conform to all applicable Federal, State, and local laws, codes, ordinances, and regulations as modified by any waivers which may be obtained from the appropriate jurisdictions.
21. **Retention and Inspection of Records:**
Access shall be given by the Contractor to the NFRIHA, HUD or any of their duly authorized representatives to any books, documents, papers, and records of the Contractor which are directly pertinent to this Agreement for the purpose of making an audit, examination, excerpts and transcriptions. All records pertinent to this Agreement shall be retained for three (3) years after the NFRIHA has made final payment and all other pending matters are closed.
22. **Entire Agreement:**
This Agreement constitutes the entire understanding between the NFRIHA and the Contractor concerning the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement the date and year first written above.

**NORTH FORK RANCHERIA INDIAN
HOUSING AUTHORITY**

CONTRACTOR

Signature

Signature

Title

Title

Date

Date